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October 4, 2004

**By Hand Delivery**

Mr. Anthony J. Como  
The Department of Energy  
Office of Coal and Power Systems (FE-27)  
Office of Fossil Energy  
1000 Independence Avenue, S.W.  
Washington, DC 20585

Re: ISO New England Inc.

Dear Mr. Como:

Enclosed for filing on behalf of ISO New England Inc. are:

1. As required by 10 C.F.R. Section 205.307, an original and two copies of the Application of ISO New England Inc. For Authorization To Transmit Electric Energy To Canada; and
2. A check in the amount of \$500 payable to the Treasurer of the United States as required under 10 C.F.R. Section 205.309.

ISO New England Inc. respectfully requests that this application be given expedited consideration and be approved on substantially similar terms as have been imposed in similar circumstances. ISO New England Inc. seeks to obtain authority to administer exports of electricity from New England to Canada. As explained more fully in the enclosed application, ISO New England Inc. has recently been approved by the Federal Energy Regulatory Commission ("FERC") to become the Regional Transmission Organization for New England. While ISO New England Inc. is seeking export authorizations in the enclosed application on its behalf as the independent system operator for New England, it also seeks recognition from the Department of Energy of its impending transition to a FERC-approved Regional Transmission Organization ("RTO") for New England and the need for any export authorizations granted to ISO New England Inc. to remain effective once the transition to an RTO has been completed. Therefore, the enclosed application requests that the Department of Energy not only grant export



authorizations to ISO New England Inc., but also provide for the continuation of the export authorizations granted to ISO New England Inc. upon commencement of operations as an RTO.

In accordance with 10 C.F.R. Section 205.309, a copy of the enclosed Application has been served on the Federal Energy Regulatory Commission and the Connecticut Department of Public Utility Control, the Massachusetts Department of Telecommunications and Energy, the Rhode Island Public Utilities Commission, the Vermont Public Service Board, the New Hampshire Public Utilities Commission and the Maine Public Utilities Commission.

Please acknowledge receipt of this filing by date-stamping the enclosed extra copy of this transmittal letter and returning it to the messenger making this delivery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Perry D. Robinson', with a long horizontal flourish extending to the right.

Perry D. Robinson  
Counsel for ISO New England Inc.

cc: Federal Energy Regulatory Commission  
Affected State Public Utility Regulatory Agencies named above

**UNITED STATES OF AMERICA  
THE DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

ISO New England Inc.

**APPLICATION OF ISO NEW ENGLAND INC. FOR AUTHORIZATION TO  
TRANSMIT ELECTRIC ENERGY TO CANADA**

ISO New England Inc. ("ISO-NE"), an entity subject to the Department of Energy's ("DOE") jurisdiction under Part II of the Federal Power Act ("FPA"), hereby submits, pursuant to Section 202(e) of the FPA, 16 U.S.C. Section 824(e), and 10 C.F.R. Sections 205.300 to 205.309, this Application for authority to exports of electric energy from the United States to Canada, at transmission interconnection points located at the border between Maine and New Brunswick, and from the United States to Hydro-Quebec, the provincial electric utility of the Province of Quebec, Canada, and any and all other points of interconnection between New England and Canada.

ISO-NE is filing this application to obtain export authorizations on its own behalf, consistent with guidance provided by DOE staff. Specifically, ISO-NE has been informed by DOE staff that the DOE policy of permitting exports to Canada pursuant to authorizations held solely by the New England Power Pool ("NEPOOL") and not ISO-NE, has recently been reevaluated. Previously, electricity exports from New England to Canada have been made pursuant to grants of export authority issued by the DOE to NEPOOL. Although ISO-NE has been administering the electricity exports for NEPOOL (ISO-NE's authority for doing so is detailed below), ISO-NE has never before been required by DOE to hold an export authorization on its own behalf. However, DOE staff has informed ISO-NE that they now believe that ISO-NE, as the administrator of such exports and the entity charged with ensuring that such exports are made in a way that ensures the continued reliability of the New England transmission system, may be required to hold export authorizations from the DOE to administer such exports. Therefore, this application is being filed by ISO-NE on its own behalf consistent with DOE's reevaluation of its export policy.

**I. Description of the Applicant**

The Applicant, ISO-NE, was created in 1997. ISO-NE is the private, non-profit Independent System Operator for New England. ISO-NE administers the New England product markets, and operates the New England bulk power system pursuant to the Interim Independent System Operator Agreement between ISO-NE and the NEPOOL Participants (the "ISO Agreement"), the Restated NEPOOL Agreement (the "RNA"), and the NEPOOL Open Access Transmission Tariff (the "NEPOOL OATT"). ISO-NE has the responsibility to protect the short-



term reliability of the New England control area,<sup>1</sup> to administer competitive and efficient wholesale markets in New England and to administer the NEPOOL OATT on behalf of the NEPOOL Participants. On March 24, 2004, the Federal Energy Regulatory Commission (“FERC”) issued an order granting Regional Transmission Organization (“RTO”) status to ISO-NE, subject to the fulfillment of certain requirements.<sup>2</sup> In accordance with this order, ISO-NE will become the Regional Transmission Organization for New England.<sup>3</sup>

Pursuant to DOE Order Nos. EA-186 and EA-186-A, authorizations to export emergency energy from New England to New Brunswick, Canada and Hydro-Quebec are currently held by NEPOOL. Under the arrangements that currently govern the administration of the electricity markets in New England, the NEPOOL Participants, through the Restated NEPOOL Agreement, act collectively as the transmission provider for New England. ISO-NE, pursuant to the ISO Agreement, acts as the control area operator for New England, which is a single control area (except for an electrically isolated portion of Northern Maine).<sup>4</sup> In its role as control area operator, ISO-NE administers electricity transactions entered into by the NEPOOL Participants and is responsible for scheduling transmission service over the bulk power transmission and generating facilities in New England. In assuming the role of RTO-NE, ISO-NE will continue to administer electricity transactions and schedule all wholesale transmission service over the bulk power transmission and generating facilities in New England. ISO-NE, both before and after its assumption of the role of RTO-NE, will be the entity tasked with scheduling transmission service over New England’s bulk power system and ensuring that the reliability of the New England transmission system is protected.

The primary change created by the transition to an RTO is the identity of the transmission providers. Under the arrangements currently in place, the participants in the New England wholesale electricity markets (*i.e.*, “NEPOOL Participants”) are designated under the NEPOOL OATT as the “transmission provider” for the New England control area. While ISO-NE administers the NEPOOL OATT as the FERC-approved control area operator, it is not considered the region’s “transmission provider.”

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<sup>1</sup> The New England control area encompasses the area consisting of the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont and all of Maine except for a portion of Northern Maine that is connected to the transmission system of New Brunswick, and thereby not part of the New England bulk power system.

<sup>2</sup> *ISO New England Inc.*, 106 FERC ¶ 61,280 (2004).

<sup>3</sup> ISO-NE’s assumption of RTO status will not require the creation of any new corporate entity. ISO New England Inc., the current FERC-approved independent system operator for New England, will retain its current corporate form and assume all of the duties and functions of an RTO. ISO New England Inc. will be the FERC-approved Regional Transmission Organization for New England.

<sup>4</sup> ISO-NE is not seeking export authorizations for any cross-border connections that may exist in the regions of Maine for which it is not the control area operator.



Once ISO-NE begins operations as an RTO, ISO-NE will be designated as the transmission provider for regional service under an Open Access Transmission Tariff (the "RTO OATT"), thus shifting this role from the NEPOOL Participants who currently perform this function. The RTO OATT will address the transmission and related arrangements for the entire New England Control Area. ISO-NE, acting as an RTO, will be the sole administrator of the RTO OATT and will also be the single point of contact for all requests for transmission service commencing after date on which the RTO becomes operational (the "RTO Operations Date"). While it is unclear at this time exactly what role NEPOOL will continue to have with respect to New England's electricity markets after the RTO Operations Date, NEPOOL will not be involved in the administration of the RTO OATT, the scheduling of transmission service across the New England transmission system or the protection of its short-term reliability. These responsibilities will remain with ISO-NE, acting as the RTO. While there will be changes in the way that the market participants and ISO-NE interact with one another after ISO-NE assumes its role as the FERC-approved RTO, these changes and the commencement of operations as the RTO will not have any substantive effect on the way in which ISO-NE will continue to administer exports of electric energy to Canada.<sup>5</sup>

At no point in time will ISO-NE itself own or physically control any electric power generation, transmission or distribution facilities in the New England control area. While both the NEPOOL OATT and the RTO Tariff<sup>6</sup> contain provisions concerning the planning, dispatch and operation of the bulk power facilities owned by the New England market participants, ISO-NE itself will not hold any franchise service territory for the transmission, distribution or sale of electric energy. When acting as the RTO, ISO-NE's relationship with the New England market participants will be governed by a Market Participants Service Agreement, which provides that ISO-NE will, among other things, be responsible for maintaining the reliability of the New England transmission system. A copy of the most recent version of the Market Participants Service Agreement is included as Attachment 2 to this Application.<sup>7</sup>

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<sup>5</sup> For a more detailed description of the entire RTO proposal and the way in which it will affect the relationship between ISO-NE and the New England market participants, see the Filing Letter accompanying the FERC filing to become an RTO, which was filed with FERC on October 31, 2003. Specifically, a copy of this filing letter can be obtained on the RTO-NE website at: <[http://www.rto-ne.com/filings/Filing\\_Letter.pdf](http://www.rto-ne.com/filings/Filing_Letter.pdf)>. A listing of other RTO related FERC filings can be found on the RTO website at: <<http://www.rto-ne.com/filings/index.html>>.

<sup>6</sup> The "RTO Tariff" is an omnibus tariff consisting of: (1) the general terms of conditions of service in New England; (2) the RTO OATT; (3) the RTO Market Rules; (4) RTO funding tariffs; and (5) certain *pro forma* agreements between ISO-NE acting as the RTO and the New England market participants.

<sup>7</sup> The Market Participants Service Agreement was contained as Attachment C to Settlement Agreement filed with FERC on September 14, 2004. See *ISO New England Inc., et al. and The Consumers of New England v. New England Power Pool*; Dockets (continued...)

Currently, ISO-NE administers wholesale sales of electric power from New England to Canada pursuant to DOE export authorizations granted to NEPOOL. Once ISO-NE begins operations as an RTO, the power to be exported from the United States to Canada that is the subject of this application will be administered by ISO-NE in virtually the same way that it has been administered by ISO-NE under the authorizations currently held by NEPOOL. Under ISO-NE, in its current form, utilities that provide power that will be exported to Canada do so under the terms and conditions described in the Restated NEPOOL Agreement. Once ISO-NE begins operations as an RTO, these same utilities will become signatories to the Market Participants Service Agreement, and these RTO Participants will provide exports of energy to Canada pursuant to the terms and conditions provided in the RTO OATT. However, in both instances, ISO-NE, whether acting in its current form or as an RTO, will retain the ultimate obligation to ensure that all energy transfers to Canada will be made in a manner that does not jeopardize the reliability of the New England transmission system.

While this application describes the circumstances surrounding ISO-NE's administration of exports of energy to Canada under both ISO-NE in its current form and once it assumes the role of an RTO, at this time ISO-NE has not yet assumed the role of an RTO. Therefore, ISO-NE requests that in issuing an order on this application, the DOE explicitly recognize the impending commencement of ISO-NE's operations as an RTO and provide for the continuation of the export authorizations requested by ISO-NE upon commencement of its operations as RTO for New England. In this regard, ISO-NE is prepared, if necessary, to provide the DOE with any supplemental information it deems necessary to confirm ISO-NE's commencement of operations as the FERC-approved RTO, and to confirm ISO-NE's role as an RTO with respect to electricity exports from New England to Canada.

## **II. Jurisdiction**

No other known federal, state or local government has jurisdiction over the actions to be taken under the authority sought in this Application.

## **III. Communications**

All service and correspondence concerning this Application should be sent to:

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(...continued)

Nos. RT04-2-000, *et al.*, ER04-116-000, *et al.*, and EL01-39-000, *et al.* (not consolidated).



#### IV. Technical Discussion of Proposal

As explained above, ISO-NE is seeking authorization on its own behalf to export electric energy to Canada across interconnection points located in New England. The technical issues surrounding these electricity exports will be the same for ISO-NE as they currently are for NEPOOL, which is the entity that currently possesses the DOE authorizations to conduct these exports. As required by 10 C.F.R. Section 205.302(g), below is a brief technical discussion of how the export of electricity that will be administered by ISO-NE affects the reliability of the New England transmission system and impacts fuel use and system stability.

##### A. New Brunswick

Consistent with authorizations previously granted by the DOE to NEPOOL, ISO-NE has been the entity responsible for administering electricity exports from New England to New Brunswick, Canada. ISO-NE requests that the DOE issue an authorization for such emergency exports directly to ISO-NE that will permit ISO-NE to continue administering these electricity exports in the same manner. ISO-NE requests further that such an authorization permit ISO-NE to administer deliveries of all exports, both emergency and market-based transactions, of up to 500 MW to the New Brunswick system through transmission facilities owned by the Maine Electric Power Company ("MEPCO") at the border between the United States and Canada. The delivery point at the MEPCO facility is located at Houlton, Maine and is authorized by Presidential Permit PP-43. As noted above, ISO-NE will have no "system" of its own on which such an export of power could have a reliability or stability impact. The power to be exported will be provided by the electric utilities and other entities that are Participants in the New England energy markets under the terms and conditions of providing such service laid out in the NEPOOL OATT and the Restated NEPOOL Agreement.<sup>8</sup> These energy transactions will be permitted by ISO-NE only to the extent that they do not jeopardize the integrity and security of the New England transmission system (*e.g.*, present voltage or stability concerns).<sup>9</sup> Similar protections will ensure that once ISO-NE begins operations as an RTO, exports will not be

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<sup>8</sup> Upon the RTO Operations Date, Participants in the New England markets will make the same sales of electricity across the MEPCO tie with Canada under substantially the same terms and conditions. The terms and conditions for such transactions under the RTO will be found in Section II.C of the RTO Tariff and the RTO Market Participants Service Agreement. For quick reference, Section II.C of the RTO Tariff (as filed with FERC on October 31, 2003) has been provided as Attachment 1, and the most recent version of the RTO-NE Participants Agreement has been provided as Attachment 2.

<sup>9</sup> NEPOOL Operating Procedure 9 permits ISO-NE to curtail any export energy transaction in order to "maintain transmission security (*e.g.*, voltage, stability) and, in the case of sales to Hydro-Quebec or New Brunswick, to avoid implementation of firm load shedding." NEPOOL Operating Procedure 9, Section VI.C.2. NEPOOL Operating Procedure 9 is provided as Attachment 4.

permitted to be made to New Brunswick unless they present no significant reliability concerns.<sup>10</sup> ISO-NE submits that the export authorization sought in this Application for New Brunswick is necessary for New England to be in a position to properly administer the New England markets while ensuring the reliability of the New England Control Area and assist New Brunswick in any future requests for assistance with their power needs.

ISO-NE will ensure that all necessary arrangements have been made and any and all other regulatory approvals required in order to effect any power exports have been obtained. This would include scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards and guidelines of the North American Electric Reliability Council (“NERC”), or any successor body, and member regional councils in effect at the time of the export.

As noted in Order No. EA-102 issued to Enron Power Marketing, Inc.,<sup>11</sup> the DOE may use the reliability analyses performed in the most recent export authorization proceedings of the above-named transmission systems in order to make the findings required for a grant of export authority to ISO-NE, as the circumstances remain the same as under the DOE’s prior authorization grant to NEPOOL. ISO-NE requests that the DOE do so and agrees to abide by the export limits contained in the relevant export authorization of the MEPCO transmission system over which ISO-NE would export electric power to New Brunswick, Canada. The controls which are inherent in any transaction that complies with all NERC requirements and the export limits imposed by the DOE on the above-named transmission systems are sufficient to ensure that exports by ISO-NE would not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

As the DOE noted in Order No. EA-186-A regarding NEPOOL’s request for an export authorization over the same tie, the export of electric energy to Canada across the MEPCO tie in the manner requested “would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of DOE.”<sup>12</sup> The circumstances under which ISO-NE is now

<sup>10</sup> Once ISO-NE begins operations as an RTO, Section II.22.2(i) of the RTO OATT will ensure that ISO-NE will retain the authority to assure that electricity exports will not jeopardize the reliability of the New England transmission system. Under Section II.22.2(i) of the RTO OATT, ISO-NE has the right to take whatever actions it deems necessary during emergency operating conditions to preserve the integrity of the transmission system, limit or prevent damage, expedite restoration of service, or preserve public safety. In addition, the protections of NEPOOL Operating Procedure 9, which are described above in footnote 9, will remain in effect as an Operating Procedure once ISO-NE begins operations as an RTO. Under this Operating Procedure, ISO-NE will continue to have the authority to curtail any export energy transaction that threatens the reliability of the transmission system.

<sup>11</sup> Order No. EA-102, issued February 6, 1996, to Enron Power Marketing, Inc.

<sup>12</sup> Order No. EA-186-A at 2.



seeking authorization on its own behalf to export electric energy to New Brunswick, Canada are similar to those for which export authority was granted previously to NEPOOL by the DOE in Order No. EA-186.

## **B. Hydro-Quebec**

On February 19, 1996, DOE issued Order No. EA-76-C, which authorized NEPOOL to export electric energy to Hydro-Quebec using the  $\pm 450$  kV direct current international transmission facilities of the Vermont Electric Transmission Company authorized by Presidential Permit PP-76, as amended. In the reliability determination prepared in Docket EA-76-C, DOE found that exports by NEPOOL of up to 2,000 MW over the PP-76 facilities could be sustained without impairing the reliability of the United States electric power system.

On May 15, 1998, NEPOOL filed another application with the DOE for authorization to transmit electric energy to Hydro-Quebec on an emergency basis across an existing 345 kV (operated at 120 kV) international transmission line owned by The Joint Owners of the Highgate Project, a group of Vermont electric utilities. The NEPOOL request was intended to give NEPOOL the ability to respond without delay to any future requests for emergency assistance by Hydro Quebec. In Order No. EA-186, issued on August 26, 1998, the DOE granted NEPOOL's application to make emergency transmissions of electric energy to Hydro-Quebec across this international transmission line. The construction of this international transmission line, which is located in Franklin, Vermont, was authorized by Presidential Permit PP-82. In Order No. EA-186, the DOE stated that the impact of authorizing a "permanent emergency" export, as requested by NEPOOL, would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities provided that ISO-NE coordinated such exports. Since the circumstances have not changed from the DOE's prior authorization, ISO-NE requests that the DOE use the reliability analysis relied upon by the DOE in issuing Order Nos. EA-186 and EA-76-C in order to make the findings necessary to grant ISO-NE the export authority it seeks in this application.<sup>13</sup>

ISO-NE will ensure that all necessary arrangements have been made and any and all other regulatory approvals required in order to effect any power exports have been obtained. This would include scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards and guidelines of NERC, or any successor body, and member regional councils in effect at the time of the export. In addition, the same authority available to ISO-NE to ensure that exports made to New Brunswick (*see* Section IV.A, above) will be made in a way that does not threaten the reliability of the New England transmission system apply with equal force to exports that will be made to Hydro Quebec. ISO-NE will not schedule or otherwise authorize the export of any power (emergency or market-based) from New England to Hydro Quebec across the New England transmission system that would put the

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<sup>13</sup> See DOE Order No. EA-102, issued February 6, 1996, to Enron Power Marketing Inc. (noting that the DOE may use the reliability analyses performed in the most recent authorization proceedings for a transmission system as the basis for making the findings required for a grant of export authority across that transmission system).

reliability of the New England transmission system at risk. Given the controls which are inherent in any transaction that complies with all NERC requirements and the protections in place to ensure that all exports administered by ISO-NE will meet all NERC reliability criteria, there are sufficient protections in place to ensure that exports to Hydro-Quebec administered by ISO-NE would not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

### **C. Other Interconnections**

Currently, NEPOOL only holds DOE export authorizations covering transactions from New England to New Brunswick and Hydro-Quebec. However, in the future, there may be other exports of power to Canada that ISO-NE is tasked with administering that will flow to Canada over different transmission lines. ISO-NE requests that the authorization granted by DOE pursuant to this Application permit ISO-NE to administer any electricity export to Canada originating in New England, provided that it does so in a manner that is consistent with reliability protections discussed above relating to exports of electricity from New England to Hydro Quebec and New Brunswick. The same reliability measures applicable to those exports will be applicable to all other exports originating in New England that are administered by ISO-NE. Regardless of where the power actually crosses the United States border from the New England control area into Canada, ISO-NE, as the entity charged with administering such export transactions, will be required to ensure that such exports do not endanger the reliability of the New England transmission system. ISO-NE will have the authority to refuse to schedule (or to curtail if already scheduled) any planned export of electricity to from the New England control area to Canada that would jeopardize the reliability of the New England transmission system. Therefore, ISO-NE requests that, in addition to the specific authorization requests discussed above, ISO-NE be given a blanket authorization to administer any proposed export of electric energy from New England to Canada, consistent with the reliability protections applicable to such exports discussed above.

### **V. Procedures**

ISO-NE proposes to comply with similar procedures to those imposed by the DOE in its previous grants of authorizations to export electric power to Canada across the MEPCO and Hydro-Quebec facilities. ISO-NE will make and preserve complete records with respect to the electric power exported from the New England control area to Canada and will provide the DOE with a report of any such exports within five business days following the conclusion of such exports. These reports will show the gross amount of kilowatt-hours of electric energy delivered and the consideration received thereof and the maximum hourly rate of transmission, in kilowatts. If no energy export transactions are made in a given year, ISO-NE will file a report indicating "no activity" for the previous year.



## **VI. Exhibits and Attachments**

As indicated below, the following Exhibits and Attachments are either included with this Application or do not exist or apply to this Application:

**Exhibit A – Agreements** – There are currently no formal agreements in place for sales of energy from New England to Canada that are related to this application. Any such sales of power to Canada that are made in the future pursuant to any authorizations granted pursuant to this application will be made pursuant to an agreement of the parties to that sale and/or the terms and conditions of the Restated NEPOOL Agreement, and once RTO operations commence, the RTO OATT, as discussed above.

**Exhibit B – Legal Opinion of ISO-NE counsel** – *See attached.*

**Exhibit C – Transmission System Information/Map** – Information concerning the relevant transmission systems is described in the Application. To the extent that any further information is required by DOE regulations, ISO-NE submits that it is not applicable to this application and therefore, to the extent necessary, requests a waiver of such requirements.

**Exhibit D – Non-U.S. Applicant's Power of Attorney** – Not applicable.

**Exhibit E – Statement of any corporate relationship or existing contract which in any way relates to the control or fixing of electric power rates** – No such relationship or contract regarding rates in connection with the export of electricity contemplated in this Application exist at this time.

**Exhibit F – Operating procedures that would explain the methodology for informing neighboring electric utilities in the United States of the available capacity and energy which may be in excess of New England's requirements before ISO-NE schedules the delivery of such excess capacity to Canada.**

ISO-NE complies with NPCC Criteria, Guides and Procedures, including Procedure C-19, "Procedures During Shortages of Operating Reserve," found at <http://www.npcc.org/PublicFiles/Reliability/CriteriaGuidesProcedures/C-19.pdf>. This procedure provides instructions for alerting other control area operators when New England is experiencing an operating reserve deficiency and exchanging capacity and load information.

**Attachment 1 – Section II.C of the RTO Open Access Transmission Tariff**

**Attachment 2 – The RTO-NE Market Participants Service Agreement**

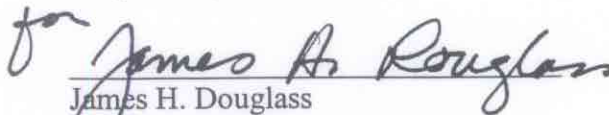
**Attachment 3 – Section 14.6 of Restated NEPOOL Agreement.** A complete copy of the Restated NEPOOL Agreement and its most recent amendments can be found on ISO-NE's website at: [http://www.iso-ne.com/FERC/filings/Index\\_NEPOOLAgree.html](http://www.iso-ne.com/FERC/filings/Index_NEPOOLAgree.html).

**Attachment 4 – NEPOOL Operating Procedure 9**

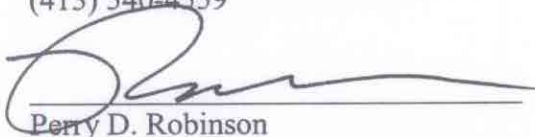
**VII. Conclusion**

ISO-NE respectfully requests that this Application for authority to transmit electric energy to Canada be expeditiously considered and approved as described herein. In addition, ISO-NE respectfully requests that in granting ISO-NE's application, the DOE address the transition to an RTO and provide for the continuation of the export authorizations granted to ISO-NE pursuant to this application upon ISO-NE's commencement of operations as the FERC-approved RTO.

Respectfully submitted,



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Counsel for ISO New England Inc.

Dated: October 4, 2004